

# **Navigator/Broker/Third Party Administrator Public Comments**

Virginia Association of Area Agencies on Aging (V4A)

National Association of Health Underwriters/Virginia Association  
of Health Underwriters

Independent Insurance Agents of Virginia

Commonwealth Institute for Fiscal Analysis

June 4, 2012

The Honorable Bill Hazel, M. D.  
The Office of the Secretary of Health and Human Resources  
Patrick Henry Building  
1111 East Broad Street  
Richmond, VA 23219

Dear Secretary Hazel:

Thank you for the opportunity to comment on the navigator role in the proposed Health Benefits Exchange. I write on behalf of all the Area Agencies on Aging (AAA) in Virginia as president of V4A (Virginia Association of Area Agencies on Aging), our professional association. Additionally, individual AAAs may be sending in comments that are more specific to their region and populations.

AAAs are the leaders in Virginia in support of community-based care so this proposal and effort are complementary to and enriching of the kind of community-based, person-centered services and supports we have provided for decades. Last year, we served over 58,000 persons with home and community-based services. When this is coupled with the thousands we served through the Virginia Insurance Counseling Assistance Program (VICAP) by answering Medicare questions which often requires navigating the service systems of the Social Security Administration and the Centers for Medicare and Medicaid Services, it shows our competence and experience.

The theories and premises on which the Health Benefits Exchange are based are strong; over and over we hear of the need for one set of rules for insurance and coverage with simple and clear information that can be compared. Confusion will reign for consumers without trusted navigators to timely assist them. We firmly support and urge the Advisory Council to provide for community-based groups to serve as navigators in the Virginia Exchange.

We also urge that you not reinvent the wheel especially with regard to communication, information, referral and assistance. A good service network is in place and the Area Agencies on Aging are well positioned with knowledge of local resources and experience in serving with a No Wrong Door approach.

Thank you.

Sincerely,  
Courtney Tierney, MSW  
President

**Courtney S. Tierney, MSW, CIRS-A**  
Director, Prince William Area Agency on Aging  
President, VA Asso. of Area Agencies on Aging  
Office: 703-792-6406 Cell: 571-641-0773  
FAX: 703-792-4734 Interoffice: DS995  
[www.pwcgov.org/aoa](http://www.pwcgov.org/aoa)

**National Association of Health Underwriters/Virginia Association of Health Underwriters**

June 8, 2012

Via Electronic Transmission

Cindi B. Jones  
Director, Virginia Health Reform Initiative,  
Office of the Secretary of Health and Human Resources  
Patrick Henry Building  
1111 East Broad Street  
Richmond, VA 23219

Dear Ms. Jones:

The National Association of Health Underwriters (NAHU), and our affiliate, the Virginia Association of Health Underwriters (VAHU), are professional associations that represent more than 100,000 health insurance agents, brokers and employee benefit specialists from all across America, including approximately 3,000 from the Commonwealth of Virginia. On behalf of both associations, please accept these comments in advance of the June 13, 2012 Virginia Health Reform Initiative meeting which focus on three essential exchange topics, 1) the role agents, brokers and navigators, 2) the Small Business Health Options (SHOP) exchange, and 3) Virginia's selection of a benchmark plan for the commonwealth to use regarding the essential benefit requirements.

**The Role of Health Insurance Agents and Brokers in a Virginia Exchange**

The health insurance exchanges as outlined by the Patient Protection and Affordable Care Act (PPACA) will create a new purchasing environment that is different than anything existing in today's marketplace. Agents and brokers welcome the opportunity to help all exchange consumers, regardless of income level point of entry into the exchange (either as an individual or via a qualified employer-group), meet their health insurance needs. Agents and brokers provide consumers with needed assistance both at the point of enrollment and throughout the health coverage plan year since problems that require the assistance of a trained and licensed professional can occur at any time during the coverage cycle.

Exchanges should always include an option for participating individuals and businesses to utilize a certified, state-licensed and independent agent/broker for assistance with their exchange-based coverage. Current law assumes that all licensed health insurance agents and brokers can sell and service all health insurance policies offered in the Commonwealth, which would include exchange-purchased policies. Furthermore, PPACA itself, as well as all related regulations and guidance offered by the Federal Department of Health and Human Services (HHS) thus far on exchanges, is very clear that health insurance agents and brokers may be allowed to enroll individuals and group plans in exchange-based products and assist with subsidies for eligible individuals outside of the PPACA-required Navigator program.

Since it is the professional role of our members to provide consumers with accurate information about their health coverage options, exchange participation is a natural fit. In fact, all successful

state-level private purchasing pools and exchanges have elected to utilize the services of agents and brokers for this reason, including both the Massachusetts Connector and the Utah Exchange. Pre-existing state pools that did not use agents initially, like the Health Insurance Plan of California (HIPC), which was the longest-running state public purchasing pool to date (operational from 1993-2006), quickly found that the active participation of licensed agents and brokers was the key to the pool's enrollment success.

Health insurance agents and brokers work on a daily basis to help individuals and employers of all sizes purchase health insurance, use their coverage effectively and make sure they get the most out of the benefits they have purchased. They design benefit plans, explain coordination issues of public and private benefits to individuals/employees, explain how the interplay of existing federal and state laws work, and solve problems that may occur once coverage is in place. They also help employers of all sizes ensure compliance with state and federal laws and serve vital human resource functions for millions of American small businesses. They assist with claims and billing issues, which may include interacting with providers to correct coding issues. Their active assistance means that consumers' needs are addressed quickly, usually without the need to use the formal appeals process. Consumers' need for help in all of these areas will only increase as health reform is implemented, and these areas of assistance are way beyond the bounds of the Navigator program, which will need to be state-financed.

The use of agents and brokers also will help reduce the long-term operational costs of any exchange. A Virginia exchange will not have the staff, resources or budgets to handle thousands of calls from confused citizens and employers about coverage options, subsidies, claims issues, etc. Every call that an agent takes and handles in one less the Commonwealth will need to deal with. Since it is the professional agent's job to maintain client satisfaction not just at the point of sale, but throughout the life of each insurance policy, major health insurance carriers report that policies originated by independent agents have better client satisfaction and retention rates, as well as fewer issues with health insurance claims. Furthermore, the private market has years of experience in setting up exchange models, and with agents', brokers' and carriers' knowledge, exchanges will be able to minimize start-up costs. Agents and brokers can help an exchange anticipate consumer questions in advance and accelerate the program's start-up success.

PPACA also requires every exchange to have a Navigator program to facilitate health plan enrollment, and agents and brokers are specifically listed by the law as one of the groups that may be Navigators. However, the law and resulting regulations also stipulate a compensation/financing method for navigators that conflicts with traditional agent compensation structures. It would be difficult, if not impossible, for agents and brokers to serve as Navigators and also maintain their existing businesses and serve current clients, many of whom may not even be eligible to purchase coverage through an exchange, so we feel that it is highly unlikely that traditional agents and brokers will pursue this path.

Instead, we believe that Virginia's Navigator program should be structured to serve as a supplement to licensed agents and brokers, who can work directly with both individual and group health insurance exchange consumers. The Commonwealth should target its resources and limited grant funds for the Navigator program to specialty groups that can concentrate on providing outreach and publicity about the exchanges and available subsidies at the community

level. Navigator entities will be particularly important for reaching underserved populations and those with specific language and cultural needs. When the need arises to provide consumers with advice on specific coverage or more specific policy information, Navigators should be encouraged to work directly with traditional agents and brokers to ensure that individual and group health insurance exchange consumers will have all of their purchasing needs met and that they will have access to health plan service on a continuing basis.

To make sure exchange consumers are well-served, we feel that all agents and brokers who would like to help consumers understand their exchange-based coverage options should be required to complete an exchange specific education process that has been designed and reviewed by industry experts. Since most experts predict that a high volume of exchange consumers will transition back and forth between the Medicaid program and private insurance products, it is critical that this program address both private coverage options and public-assistance and subsidy-eligible options to ensure that all licensed producers and navigators are familiar with all coverage choices available to consumers.

Agents and brokers are already part of a highly-regulated industry. They comply with strict guidelines to ensure that our customers are well served and have legal accountability for the advice and assistance they provide to clients. We strongly endorse training that is broad in scope to help serve the unique needs of exchange consumers as an important component of consumer protection.

We believe that to protect consumers, anyone who may be assisting exchange customers in similar or related ways must also be subject to robust and comprehensive certification, training and the utmost in accountability standards. This would include individuals and entities that participate in exchange Navigator programs as we anticipate navigators will play an important role in reaching out to certain exchange consumers to help them understand the availability of products and program offered through the exchange as well as the value of different coverage options.

However, an exchange certification program should always be viewed as a supplement to state-level producer licensure and accountability standards. Certification can in no way be a replacement or an acceptable alternative for licensure should an individual working or volunteering for a navigator entity cross the threshold of what triggers the need for producer licensure in Virginia today— i.e.; solicits, negotiates, procures or effects contracts of insurance.

This is not to say that all individuals working for navigator entities would need to obtain an insurance producer license. In fact, the final federal exchange rules prohibit a state from making such a broad-based requirement of all navigators. Instead, we merely believe that the exchange should not exempt any navigator from producer licensure requirement if the navigator performs actions that would require producer licensure currently. To ensure that all health insurance exchange clients receive equal consumer protection and accountable advice from licensed professionals, the navigator duty of facilitating enrollment could be clearly defined and limited to helping consumers understand the general availability of products and program offered through the exchanges and the value of coverage and not involve actual enrollment in a specific plan choice.

Finally, we believe that Virginia exchange leaders should establish that health insurance agents and brokers working outside of the Navigator program be compensated at prevailing market rates and that these rates will be established and handled by the private health insurance carriers offering coverage in the Commonwealth and through the exchange. This standard is used to compensate health insurance agents and brokers in the Utah Exchange and the Massachusetts Connector, as well as all private health insurance exchanges operating around the country. It is also the method our neighboring state of Maryland plans to use as it moves forward with the establishment of its health benefit exchange. Fairly compensated agents and brokers will help ensure exchange success by bringing individuals and businesses to the exchange, and more importantly, ensuring their continuous coverage and health plan service.

### **Small Business Health Options (SHOP) Exchange**

Just as Virginia's health insurance agents and brokers stand ready to assist individual health insurance consumers with their exchange purchasing and coverage service needs, we are also ready to serve small employers who may wish to purchase coverage through a Virginia Small Business Health Options (SHOP) Exchange. In fact, agents and brokers will likely be the group best equipped to serve SHOP exchange consumers, as virtually all small group health insurance coverage is placed and serviced through independent agents and brokers in Virginia today.

If a SHOP Exchange is eventually created in Virginia, licensed insurance producers will do all they can to make it a successful venture, but from the outset we feel VHRI should set realistic expectations for what will constitute a successful SHOP exchange. Experience from other states that have established purchasing pools for small businesses, including both the Massachusetts Connector and the Utah Exchange shows that not all small businesses are drawn to the exchange concept. Enrollment may be very low, particularly initially. The Utah Exchange, which only serves small businesses has been offering coverage since 2010 and still only serves several hundred employers and several thousand total enrollees. A pilot program to offer coverage to larger employers slated to begin in 2011 has been shelved by the state. The Massachusetts Connector has also struggled to gain enrollment in its small business sector, and on multiple occasions delayed opening its pool to the employer market. Once the employer spectrum of the Massachusetts Connector passed the trial phase, it struggled to attract carriers to offer small employers products using the defined contribution model that exists in Utah and would be required by the SHOP exchange. So after several years of study, the Connector switched to offering regular small group products and actually resorted to purchasing books of business from insurance intermediaries to gain enrollment. Even still, the Connector serves less than 2000 small employers and only several thousand overall employees today.

In addition to these real-life market experience indicators that show difficulties a SHOP exchange may face, we also believe that there are a variety of PPACA-specific factors that may make employers and health insurance carriers hesitant to participate in a SHOP exchange, particularly initially. The timing process outlined by HHS with regard to SHOP exchange carrier contracting is tight, and many health insurers in the state are already developing their own private exchange models that will compete with the SHOP exchange concept. Employers may find the lack of advance information about participating carriers and product design to be a

disincentive to participation, as may be the additional price-impact of whatever user fee or assessment costs that will be necessary to fund the Exchange.

While the federal requirement for premium aggregation is likely to be an attractive component to some employers, there still needs to be further federal and state guidance issued about the level of control employers will have over their employee's coverage options within a SHOP exchange. Furthermore, it is unclear how employer SHOP exchange participation will intersect with existing employer responsibility requirements relative to the coverage they provide to employees, such as COBRA and ERISA compliance and Medicare secondary payer rules. Also, due to discrepancies in the way that the federal exchange rules specify that employees must be counted in order to establish SHOP exchange eligibility that conflict with current prevailing standards of employee counting in the traditional Virginia small group market, many employers who could have an interest in the SHOP might not actually be eligible to participate.

All of these factors may lead to employer hesitancy with regard to the SHOP exchange. The availability of the federal small business health insurance tax credit only through the SHOP incentive is supposed to be an incentive for small employers to purchase coverage via an exchange, but the success of that credit has been disappointing at best to-date. According to a recent Government Accountability Office report, only 170,300 businesses out of a pool of as many as 4 million potentially eligible claimed it in 2010, which is a take-up rate of about 4 percent when coverage choices were not limited to just those offered through an exchange.

We urge VHRI to take this data into consideration when weighing the potential design of any Virginia SHOP exchange. Setting expectations appropriately from the outset will allow the Commonwealth to manage resources and provide the best possible service to the limited population likely to utilize the SHOP in the early years of exchange implementation.

### **Essential Health Benefits**

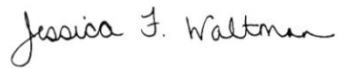
Federal guidance promulgated by HHS requires each state to designate a benchmark plan design to serve as the model for the essential health benefit standard that will be used in the individual and small-group health insurance markets, both inside and outside the exchanges beginning on January 1, 2014. Our organizations support the work that has been done to-date by the VHRI to determine the best health benefit benchmark option for Virginia. However, we strongly caution the VHRI to be cognizant of not adding any unneeded costs during the essential health benefit plan determination process, as health insurance affordability is a huge consumer and employer concern and the cost-burden is a significant barrier to access to medical care.

Of the four benchmark plan options available to the Commonwealth, we believe that utilizing the largest plan by enrollment in the small group market, which has been determined be the Anthem PPO product, would be the most sensible choice. This plan provides a wide range of benefits at a service level that will likely translate into the most affordable policy options for the individual and small group coverage consumers in our state in the immediate future.

NAHU and VAHU appreciate this opportunity to provide feedback to the VHRI on the development of an exchange that will best serve the needs of Virginia health insurance consumers. If you have any questions, or would like additional information, please do not

hesitate to contact us. Jessica may be reached at either (202) 595-3676 or [jwaltman@nahu.org](mailto:jwaltman@nahu.org) , Susan may be reached at (804) 678-5056 or [SRash@BBandT.com](mailto:SRash@BBandT.com) or Arty at [aaccardo@dbs-health.com](mailto:aaccardo@dbs-health.com).

Sincerely,

Handwritten signature of Jessica F. Waltman in black ink.

Jessica F. Waltman  
Senior Vice President, Government Affairs  
National Association of Health Underwriters

Handwritten signatures of Susan Maley Rash and Arty Accardo in black ink.

Susan Maley Rash & Arty Accardo  
Virginia Association of Health Underwriters



Independent Insurance Agent

**Independent Insurance Agents of Virginia**

8600 Mayland Drive

Richmond, Virginia 23294

804-747-9300

FAX: 804-747-6557

[www.iiav.com](http://www.iiav.com)

June 7, 2012

Ms. Cindy B. Jones

Director

Virginia Health Reform Initiative

1111 East Broad Street

Richmond, VA 23219

via: [cindi.jones@governor.virginia.gov](mailto:cindi.jones@governor.virginia.gov)

RE: Public Comment for June 13 VHRI meeting - Navigators/Brokers/Third Party Administrators

Dear Ms. Jones and members of the Virginia Health Reform Advisory Council:

We thank the VHRI and the Administration for their serious attention to this critical planning effort and appreciate the opportunity to provide comments and suggestions for consideration.

Let us start by reiterating the VHRIAC recommendation to the Governor:

*It is the clear sense of the Task Force and of the full Advisory Council that insurance agents, brokers and consultants play extremely important roles in educating employers and consumers about health insurance options today, and that therefore they should play important roles in all health insurance markets in the Commonwealth in the future.*

We of course, could not agree more. It is notable that the states laws addressing the ACA requirements (IA, ME, MD, etc.) as well as HHS have also come to the conclusion that agents and brokers will be an integral part of promoting and selling Exchange products. Moreover, many of the 30,000 currently health licensed agents in Virginia are looking to see how they can participate in the Virginia Exchange - if one is indeed established - in an effort to ensure that any Virginia based Exchange is successful.

And most specifically we want to applaud the VHRI position that there should be no interference in agent/broker compensation agreements with their appointed carrier partners. By omission we would suggest that this is the identical position taken in SB 496 as amended. We fully support SB 496 as amended and passed-by for the year although the legislation probably requires some technical amendments if it is necessary to move forward and pending any Supreme Court decision.

The question however that you have asked to be addressed is what distinguishes an agent/broker from a Navigator and what can one do that the other cannot?

In any discussion of Navigators, it is probably best to start with Virginia's current Code:

*§ 38.2-1800 “Agent” or “insurance agent,” when used without qualification, means an individual, partnership, limited liability company, or corporation **that solicits, negotiates, procures or effects** contracts of insurance or annuity in this Commonwealth.*

It is within this current limitation that we seek to establish requirements and/or certification for Navigators – and we fully anticipate that Agents and Navigators will be able to work side by side. It is also notable that HHS’s final rules specify that agents/brokers may also act as Navigators – they would just need to know when to take off one hat and replace it with another. As several other states have addressed and as SB 496 seeks to establish, we fully support a “certification” program for Navigators within the Commonwealth and believe that such administration could be handled by the Bureau of Insurance Administrative Division for Agent Regulation and Administration. Doing so would ensure that such a certification program would not be duplicative and redundant to other governmental efforts. We believe that an oversight board composed of representatives from the Virginia Health Care Foundation, among others, and including agents, would appropriately oversee testing requirements for certified navigators. SB 496 calls on Navigators to also maintain their knowledge by having 16 hours of continuing education every two years. The administration of such a program could be handled in similar fashion as the Virginia Insurance Continuing Education Board.

HHS’s final rules specify that “*Navigator training standards to ensure expertise in underserved and vulnerable populations, eligibility and enrollment rules, QHP options and IAPs; and privacy and security standards (to ensure the proper handling of tax data and other personal information). The preamble indicates that training standards should be available for paid and unpaid entities serving as Navigators, and notes that training model standards will be issued in future guidance.*”

Why is there the need for such regulatory oversight? One only needs to look at personal private information provided on a health insurance application to recognize the critical information that will be available to Navigators. Moreover:

- To what extent should Navigators be held to the Unfair Trade Practices section of the insurance Code - §38.2-500 – 517? This section of the Code involves everything from Misrepresentation of Insurance Policies to Unfair Discrimination. Moreover, this section would establish the Bureau’s regulatory authority over Navigators.
- To what extent will Navigators be subject to HIPAA regulations and complementary Virginia Medical Record Access Laws? What knowledge of these requirements and responsibilities should Navigators be aware of? Where’s the oversight and regulatory authority over violations?
- To the extent that Navigators will have access to alcohol and drug treatment records information and/or medical records in general, what liability will they have to exposure of this information and its dissemination?
- To what extent will Navigators be expected to know about health plans subject to ERISA and rights and responsibilities under COBRA (and mini-COBRA laws) and individuals’ participation in plans subject to these Acts? If misleading or inaccurate information is provided it could have a devastating impact on individuals and their families.
- Will Navigators be subject to the Federal Violent Crime Control and Violent Crime Act which prohibits individuals who have been convicted of a felony involving breach of trust from working in the business of insurance, unless they have received written consent from state regulators?

It clearly seems that they would but who would be the regulatory authority to ensure such enforcement if not the Bureau of Insurance? Presently the Bureau of Insurance requires with agent license applications a copy of the applicants Criminal History Record Report which must be obtained through the Virginia State Police. Given the information that Navigators will be privy to both for individuals and small businesses, we can think of no compelling reason that Navigators would not be subject to the Federal law and associated state laws and regulations.

In short, clearly there is much that a Navigator needs to be aware of prior to sitting down with an individual or receiving phone calls from consumers or small business representatives. If a Navigator abrogates their responsibilities what enforcement should they be subject to and do we really want a Navigator to have the ability to move from one organization to another if they have committed some prohibited act?

These comments are respectfully submitted on behalf of the Independent Insurance Agents of Virginia. We look forward to further discussing these options and comments at your upcoming meeting. If you have any questions in the mean time, please don't hesitate to contact us directly.

Sincerely:

Robert N. Bradshaw, Jr., MAM  
President & CEO  
Independent Insurance Agents of Virginia

W. Monty Dise  
President  
Asset Protection Group and member of the  
Virginia Health Reform Initiative Advisory  
Council, and  
Member of the IIAV Legislative Committee

Founded in 1898, IIAV is part of the nation's oldest and largest associations of independent insurance agents, representing a network of more than 300,000 agents and agency employees nationwide and over 7,000 in the Commonwealth of Virginia. Its members are insurance businesses that offer customers a choice of policies from a variety of insurance companies. Independent agents offer all lines of insurance – property, casualty, life, health, employee benefit plans and retirement products. Web address: [www.iiav.com](http://www.iiav.com) and nationally [www.independentagent.com](http://www.independentagent.com)



## **Comments to the Virginia Health Reform Initiative on making the Navigator program work effectively for low-income and underserved Virginia consumers**

The Commonwealth Institute for Fiscal Analysis, June 2012

We appreciate the opportunity to provide comments on the Navigator program and our specific recommendations for making the program successful in helping consumers gain access to the healthcare coverage they qualify to receive.

### **Consumer Groups as Navigators**

The final Exchange regulations released on March 12, 2012 by the federal Department of Health and Human Services (HHS) requires that states choose two types of groups to serve as Navigators, with at least one being a consumer group or community non-profit organization. While agents and brokers can be chosen as Navigators, the final regulation specifically prevents states from requiring Navigators to be licensed agents or to carry errors and omissions insurance.

The regulation, however, does not prohibit states from creating a different certification standard that is more appropriate to the needed skills for a Navigator to effectively work with low-income and underserved populations. At a minimum, states must develop training standards to ensure that all Navigators are proficient in: eligibility and enrollment standards for public programs, the specific needs of underserved and vulnerable populations, the complete range of public programs and qualified health plans available to consumers, and required privacy and security standards.

### **Reasonable Training Standards and Cultural Competency**

We believe these requirements are sensible steps to ensure that Navigators are equipped to help Virginia consumers get the coverage they need and qualify for under the Affordable Care Act (ACA). However, we strongly oppose licensure requirements and fees that are not relevant to the job of a Navigator and which would discourage consumer groups or community non-profit organizations from seeking to become (or be approved as) Navigators. For example, such fees could create a disincentive that reduces the pool of organizations eligible to serve as Navigators.

In addition, the population newly eligible for coverage through Medicaid or the Exchange in 2014 will be racially and ethnically diverse and will include persons with disabilities. Having Navigators who are well-versed in serving underserved communities effectively will be essential. To help achieve this goal, the VHRI should recommend that the Exchange:

- Deploy effective training to all Navigators in cultural competency which will ensure they can adequately and appropriately serve the needs of persons with disabilities and racially and ethnically diverse populations (further guidance from HHS is expected on cultural competency training);
- Educate Navigators on how to use interpretation tools required by the ACA and how to successfully connect limited English proficient (LEP) consumers with those tools, such as call centers (including toll-free numbers) and translated materials. Navigators should also be trained on and deploy tools for LEP consumers and persons with disabilities to evaluate service provision. This will help create the kind of consumer feedback procedures to ensure continuous improvement of Navigator operations and effectiveness.
- Require Navigators to hire staff who are bilingual in order to effectively interact with all Medicaid and Exchange eligible Virginia consumers.

## **Understanding the Tax Credits**

We also believe it will be important for the Navigators to understand the advanced premium tax credits (APTCs) and cost sharing reduction (CSRs) provisions that are a crucial part of the ACA.

The APTC credits will be made on the individuals' behalf immediately to the insurer. The sliding scale credits are calculated based on the premium for the second lowest cost "silver" plan available to them. Individuals with incomes between 133% and 250% of poverty will also be eligible for cost-sharing reductions that would limit the plan's maximum out-of-pocket costs. Because of the advance nature of the tax credit, an individual's prior year tax return will likely be used to determine income (unless their income has changed since it was filed).

It is crucial that consumers accurately estimate their income if they believe it will change in the year they receive an APTC subsidy. A final reconciliation will occur when the individual's taxes are filed for the year tax year they received an APTC. If a consumer is found to have underestimated their income and received a larger APTC than was allowed, they will likely be required to pay back some of their subsidy.

To help consumers negotiate this new process (which has never been undertaken before), the Exchange should ensure that Navigators are fully proficient in APTC and CSR rules and regulations from wage attestation requirements to the differences in eligibility requirements for various subpopulations (such as for qualified legal immigrants and mixed immigrant status families) and household configurations.

## **Adequate Funding for Navigator Program**

HHS' final Exchange regulation lays out how Navigators will need to be through grants allocated from state funds. States are not allowed to use federal Exchange establishment grants to fund the Navigator program. Therefore, Virginia will need to provide state funding or establish a funding source for Navigators, at least at the outset (2013 & 2014).

Beginning in 2015, the Exchange operations are required to be self-funded. At that point, the Navigator program can and should be funded with Exchange funding.

We believe adequate funding for the Navigator program is essential to ensure Virginians successfully gain access to the health insurance coverage available through the Exchange and Medicaid. With approximately one million Virginians uninsured, this should be an important priority of the Commonwealth.

We urge the VHRI to recommend that the Navigator program receive the full funding it needs to be successful. The VHRI should recommend that the General Assembly appropriate funding for the successful establishment of a Navigator program. Going forward, the Exchange should continue to allocate sufficient funding for an effective Navigator program.

Thank you for the opportunity to comment on these important topics. We appreciate your efforts in helping improve the lives and healthcare of Virginians.

**Contact: John McInerney, Health Policy Director, The Commonwealth Institute for Fiscal Analysis**  
[john@thecommonwealthinstitute.org](mailto:john@thecommonwealthinstitute.org), 804-396-2051, ext. 105